

Report of Approved Activities for the FY00 ATRIP Program

The interagency Review Committee for the African Trade and Investment Policy (ATRIP) Program reviewed 122 proposals for FY00. The ATRIP program, begun in 1998, allocated \$30 million of USAID resources in FY00 for activities to provide technical assistance for policy reform or to support U.S.-Africa business linkages. An \$8 million tranche of ATRIP funds was allocated to activities in Nigeria, for which USAID/Nigeria conducted a separate selection process.

Subject to final work plans and budgets, the Review Committee for FY00 selected for approval the following ATRIP activities (for countries other than Nigeria). Activities are not listed in order of preference.

Trade and Customs Policies (\$7.9 million)

1. Customs-Related Technical Assistance Activities (\$1.750 million). The WTO customs valuation agreement requires that, to facilitate easier passage of goods through customs, all signatory countries enforce the agreed upon customs valuation procedures as adapted by GATT/WTO in 1994. Currently, many African countries are yet to comply because of resource requirements, fear of revenue losses that may be associated with compliance, and/or needs to broaden and deepen the domestic tax base.

This customs-related technical assistance program will offer help to African countries in expediting the movement of goods across borders and in complying with the WTO customs valuation agreement. It will also assist regional trade organizations on matters such as better harmonization of procedures and the introduction of a regional customs-bond guarantee scheme.

2. Trade Policy and WTO Issues Workshops (\$.350 million) This project will design workshops and follow-up activities to assist sub-Saharan African countries in developing their capacity to deal with WTO issues and related trade policies. The workshops will include components: demonstrating the benefits of trade reform and open markets; clarifying general rights and obligations under the WTO and current issues before the WTO; and special sessions on particular aspects of the WTO, based on host-country interests.

3. World Bank Program on Standards and Technical Barriers to Trade: Policy Research and Institution Building in Sub-Saharan Africa (\$.640 million). This World Bank-led activity will

- Develop five country-specific action plans to expand access to and use of international standards in Sub-Saharan Africa, based on assessments of the specific impacts of standards and technical regulations on trade in the region;
- Identify specific infrastructure and capacity needs in Sub-Saharan Africa, including public and private sector capabilities in standards to expand export opportunities ;

- Design a pilot network in the region, based on the five action plans, to expand access to international standards and the region's ability to implement relevant WTO obligations in the WTO Agreement on Technical Barriers to Trade and Agreement on Sanitary and Phytosanitary Standards.

4. Policy Approaches to International Sanitary and Phytosanitary Standards and Implementation (\$1.200 million). In response to concerns expressed by African countries and U.S. exporters over sanitary and phytosanitary (SPS) issues, the Foreign Agricultural Service of the U.S. Department of Agriculture (USDA) will provide support and cooperation to African counterparts. Past activities have included detailed briefings to improve transparency and African understanding of U.S. policies, joint working-level food-safety assessments and seminars, and USDA-sponsored plant- and animal-risk assessment training seminars. The proposed comprehensive training activity will be targeted to officials from countries in three regional groups -- WAEMU, COMESA, and SADC.

5. Regional Biosafety Policy Development in Eastern and Southern Africa (\$.675 million). The objective of this USAID program is establishment of the policy and regulatory infrastructure for the development, trade, and commercial application of agricultural technologies derived from modern biotechnology. The goal is to promote regulatory policies and procedures that will facilitate the use of new biotechnology-derived crop varieties (often referred to as Genetically Modified Organisms or "GMOs") by providing a framework for phytosanitary, environmental, and food safety assessments and management of agricultural biotechnology. Biosafety regulations constitute an increasingly important component of the policy environment for the development of the seed sector, technology transfer, animal vaccines, and food trade.

6. Training Courses in Biodiversity, Biotechnology and Law (\$.250 million). The Global BioDiversity Institute, in collaboration with several international organizations and local organizations in Africa, will refine and continue its training program for Africa on biodiversity, biotechnology and law. The training is being conducted for scientists, lawyers, and policy makers in West and Southern Africa.

7. Zambia - Trade-Policy Advisory Program (\$.600 million). Activities under this program will complement Zambia's other efforts (including appropriate exchange-rate management) to pursue a successful, export-led growth strategy. The program will provide consulting services and staffing support for export-oriented private sector associations – to improve their capability to analyze and to instigate change in regulatory and trade obstacles to business development and international trade. The program will also provide training, technical assistance, and selected equipment to assist export oriented Zambian government agencies responsible for establishing a better trade and investment environment, consistent with its obligations in WTO, SADC, COMESA and other trade organizations.

8. Madagascar - Program for Effective Integration into the Global and Regional Economy (\$.300 million). This program will support Madagascar's integration into the

WTO by providing WTO awareness training and WTO-related policy analysis. It will also assist Madagascar in compliance with its regional commitments to trade liberalization within COMESA and to developing expanded trade links with the United States. The program seeks to cultivate the strong participation of the private sector and other segments of civil society to help create an improved trade and investment regime.

9. Strengthening the Voice of African Scientists in Science-based Trade Policy Decisions (\$.145 million). This USDA-led project proposes to 1) improve and harmonize African scientific capacity and understanding in biotechnology; 2) establish a network of biotechnology experts and institutions in Africa; and 3) engage African scientists and their institutions in providing science-based information to regulatory officials and institutions on matters relating to trade, technology, and food security of the general public.

10. Development of Tri-Lingual WTO Training Modules for Use by LDCs (\$.250 million). This grant to the World Trade Organization will help finance the development of 15 modules that will provide computer-based training courses covering all of the WTO Agreements. Contained on CD-ROM, the interactive training courses will be made widely available in Africa and will reduce the current high costs of training by Western instructors in a classroom setting.

11. Technical Assistance on WTO Dispute Settlement (\$.400 million). Based on the WTO's current, multiweek trade policy course in Geneva for developing country trade officials, this grant will fund two regional trade policy courses for Francophone and Anglophone least-developed countries in Africa. These regional workshops will provide three weeks of comprehensive training in trade policy and the law of the WTO, and will include a strong dispute settlement component designed to equip the participant government officials to cope with the demands of WTO current dispute settlement.

12. West Africa Trade Policy Workshops and Technical Assistance (\$.300 million). This program by the USAID regional mission will address several public and private sector audiences concerned with reducing technical and logistical barriers to trade, understanding international agreements and trade standards, and expanding regional trade in agricultural and manufactured goods.

13. WAEMU - Technical Assistance Program in Support of Accelerated Regional Integration (\$.350 million). In view of West African Economic and Monetary Union's ambitious agenda for economic integration in West Africa, the Office of African Affairs of the USTR intends to collaborate with WAEMU on an assessment of pending barriers to implementation of that agenda and to conduct a high-level conference in the U.S. on means of overcoming those barriers. Conference issues are expected to include: implementation of the common external tariff, strengthening of regional regulatory bodies, investment promotion, commercial dispute settlement, and others.

14. AGOA/GSP -- U.S. Market Access Information Program (\$.250 million). In light of the passage of the Africa Growth and Opportunity Act (AGOA) in May 2000, this

ATRIP activity is providing information and dialogue with African countries concerning the customs-eligibility and other requirements of AGOA. These activities are expected to permit Africa to seize more quickly the opportunities for exports to the U.S. that, as provided by AGOA, are expected to arise from the dramatic expansion of the GSP product list and from improved market access for apparel and textiles.

Energy and Infrastructure Policy (\$4.4 million)

15. Zambia - Electricity Sector Restructuring and Privatization (\$.800 million). Per the request of the Zambian Cabinet of late 1999, USAID consultants are assisting the Zambia Privatisation Agency (ZPA) to study the options for Private Sector participation in the Zambia Electricity Supply Corporation (ZESCO). The consultants will help ZPA to prepare recommendations to the Government by about yearend 2000 regarding

- The urgency of restructuring/privatization of ZESCO;
- The best alternative options for unbundling, concessioning, and/or privatization of the main components of ZESCO;
- The institutional, legal, and regulatory environment and tariff policies that should be in place for components of ZESCO after they come under private management;
- An asset condition and value report; and
- An action plan for implementing the preferred option.

16. West Africa Power Pool Program (\$1.200 million). This program will provide several fundamental building blocks toward the formation of a West Africa power pool, as directed by the ECOWAS Heads of State at their annual meeting in Lome, Togo in December 1999.

For 2000, the ATRIP assistance for the WAPP program will employ USAID grantee and contract resources to implement three components:

- Data collection and analysis of future investment needs, with the use of generation/transmission planning model constructed by Purdue University in 1999;
- Logistical support for the ECOWAS/WAPP Project Implementation Committee, selected training in the U.S., and workshops in the West Africa (on subjects such as lessons learned from the Southern African Power Pool);
- Studies and technical assistance from short- and/or long-term advisors (including an experienced power pool manager), to assist the ECOWAS Secretariat, the PIC, and the inter-utility project development committee with the initial design of the power pool through actual establishment of the WAPP.

17. West African Gas Pipeline Project (\$1.900 million). This ATRIP activity, begun in 1999, will provide further USAID technical assistance to ECOWAS and the four sponsoring states (Ghana, Nigeria, Togo, and Benin) of the West Africa Gas Pipeline Project through 2001. With USAID contractor assistance in setting agreed and simplified tax, regulatory, and environmental standards and objectives among the four states, the states expect to conclude negotiations with a private Commercial Group for construction of a regulated \$400 million gas pipeline. The pipeline, to be financed principally by U.S.

and European investors, will deliver offshore Nigerian gas, now being flared, to power-generating stations in Ghana and elsewhere.

18. Telecommunications Policy Training and Development (\$.500 million). This USAID/FCC activity focuses primarily on the promotion of effective, pro-competitive regulatory capacity in sub-Saharan Africa. There are three dimensions to telecommunications policy to be assisted by this activity:

- Telecommunication sector restructuring - liberalization and privatization;
- Electronic commerce and related policies; and,
- The provision of pro-competitive regulatory oversight.

During 2000/01, primary emphasis of the ATRIP program will be to assist selected countries (Uganda, Ghana and South Africa, among others) through the provision of staff training in critical regulatory areas such as frequency management, cost-based tariffing, and dispute resolution. Training will involve both study tours to the U.S. and the delivery of pilot courses within African institutions.

Finance and Investment Environment (\$5.8 million)

19. Banker Training and Banker Association Assistance (\$.696 million). This activity will help to address the problems of constrained availability of credit in the banking sector, and the related constraints on international trade, of selected West African countries through two avenues:

- Training in credit practices of domestic and international departments of banks and other credit institutions
- Assessment of legal/regulatory problems, advocacy of reforms, and capacity-building for banker associations or similar organizations.

This activity will be implemented by the Barents Group and coordinated with a parallel U.S. Treasury-led activity.

20. West Africa Financial Institutions Policy and Regulation Program (\$.500 million). This U.S. Treasury-led program is intended to address two significant problems encountered by commercial banks in West Africa: (1) inefficient financial transactions and (2) restrictive regulations that limit the allocation of credit. The activity will assist selected countries of the West African Economic and Monetary Union (WAEMU) and the Economic Community of West African States (ECOWAS). It will provide policy-level technical assistance to the central banks, other financial-sector entities and related organizations, for the purpose of improving their regulatory capacity in the areas of credit policy, financial transactions, payment systems, and risk assessment.

21. Mali - Agricultural Enterprise, Trade, and Investment (\$.500 million) This allocation will continue ATRIP Program activities initiated in 1998 and 1999 to assist the government and the Malian private sector in analyzing priority policy issues constraining Malian economic competitiveness in the West Africa region and promoting greater private sector participation in the policy reform process. These resources will enable USAID/Mali to further its policy reform agenda with the Ministry of Industry,

Commerce and Handicrafts (MICH) and to transform the policy analyses and research to date into practical measures that will produce a sustainable diversification of Mali's exports.

22. Mozambique - Investment Environment (\$1.870 million). This program will continue USAID/Mozambique's ATRIP activities of 1998 and 1999 -- as part of a multi-year effort to address policy and administrative constraints that affect Mozambique's business and investment climate. The goal is to improve the enabling environment for private sector-led growth and development, by promoting investment and trade through strengthened business associations, reduced red tape, improved trade policies, and reduced costs imposed on private sector activity by the current regulatory and fiscal environment. The activity includes a further capacity-building component for the alliance of business associations, to improve the sustainability of these efforts in the future.

23. Malawi - Business Regulatory Reforms and Demonopolization of Infrastructure (\$.494 million). In light of the recent success by Malawi in concessioning the railways to private management, one focus of the ATRIP activities for 2000 will be to promote the development of public-private partnerships for other infrastructure projects. Other components of the USAID program will be

- To analyze the causes and potential remedies of factors that contribute to very low industrial labor productivity and exceptionally high transport costs in Malawi; and
- To promote a more effective dialogue and problem-solving channels between the government and the private sector; and to strengthen regional business associations that do not currently have adequate voice in the capital.

24. Uganda - Legal, Judicial, Tax, and Trade Policy Reform (\$1.740 million) The USAID assistance will be in the form of providing technical experts, training, and some limited commodity procurement to be agreed upon with the relevant government units. Commercial Justice Sector reform is a priority in the overall government policy paper - Medium Term Competitive Strategy for the Private Sector. The trade policy component will continue on the public-private initiative begun in 1999 to institutionalize the role of the private sector in the formulation of the GOU's trade policy and negotiating positions.

Business Linkages (\$4.8 million)

25. Support to Small Holder Tree Crops -- Coffee: Policy Dialogue, Farmer Association, and Market Information Systems Development (\$.550 million). With leadership by the Specialty Coffee Association of America, this grant will provide three-tiered approach to support coffee sub-sector development in Africa: 1) to stimulate US trade and investment in the coffee industry in Africa (which begins from a base of \$200 million (1999) in exports to the US market), 2) to meet the demand for consistent and superior quality coffee for the specialty coffee market, and 3) to expand the potential for specialty coffee to be supplied by small-holder producers.

26. Sustainable Tree Crop Project -- Cocoa: Small Holder Business Development (\$.700 million). One element of the project, in Ghana, will be a pilot activity with farmer associations through a pilot set up to improve product quality and to receive premium prices for superior quality cocoa, via direct marketing agreements with M&M Mars and Cadbury Chocolates. A second element will be to develop an information system to reduce uncertainty by end users over the grades and quality of cocoa produced and shipped from specific origins. In that connection, the activity will develop cocoa mapping of soils, climate, temperatures, sunlight – much like the wine industry uses to determine the quality grapes of wine regions. This hard data, coupled with quality controls on fermentation and crop maintenance and handling will permit farmers to work towards a cocoa quality certification program.
27. US Market Linkages and Capacity Building for Quality Handicrafts (\$.300 million). Under this grant, New Ideas for Export Development Aid will provide business development services to small, medium, and micro enterprises in selected African countries to promote exports of high-quality handicrafts (leather goods, garments, and accessories). This continuing support from ATRIP will enable the grantee to further develop exports to high-end U.S. marketing and retail firms and give product technical advice and marketing suggestions to local designers and manufacturers in additional, selected African countries.
28. West Africa -- Building Capacity for Agricultural Marketing of Farmer Cooperative Products (\$.500 million). This jointly conducted program of USDA, the Southern Federation of Cooperatives (SFC), and the Opportunities Industrialization Centers International, (OICI) will help to develop cooperative marketing in Ghana and Senegal. Elements of the program will work with existing and emerging agricultural cooperative groups to improve their understanding and entry into international marketing activities, including establishment of business-to-business trade linkages between cooperatives in each nation and cooperative and other buyers in the U.S. and other potential trading partners.
29. Ghana -- Agricultural Market Access and Rural Development (\$.300 million). This program is designed to support the international market access and institutional and human resources development activities of the recently established Consultative Committee on Agriculture and Rural Development (CCARD) between the US Department of Agriculture and the Ghanaian Ministry of Food and Agriculture.
30. West Africa Business Linkages (\$.096 million). This grant will continue a three-year cooperative agreement with the Corporate Council on Africa (CCA), initiated in 1998, to strengthen business linkages between American and West African businesses. These funds will help complete financing of the West African Business Linkage (WABL) activity of CCA with new counterparts in the region.
31. Market Development Mission to Foster US Agricultural Trade Opportunities (\$.100 million). With these funds, USDA will mobilize a Trade Team to explore untapped commercial export potential in the Southern Africa region for US agricultural

products and will address constraints on finance, transportation and storage, market development and specific trade issues. Activities will include seminars, site visits and meetings between USDA and African officials. The mission will lead to 1) sales under straight commercial or government export-credit guarantee programs, 2) recommendation of solutions to host government/private sector in transportation and storage, and 3) recommendations to USDA operational managers on needed changes to export programs for those particular markets.

32. EAEN/SAEN and Business Network Development (\$.275 million). The goal of the proposed support for the East African Enterprise Network and Southern Africa Enterprise Network is to improve the business climate at the regional and national levels and facilitate international trade. Two intermediate objectives are: 1) to strengthen internal EAEN and SAEN capacity for pro-active involvement in the regional integration process and in domestic policy reform, and 2) to promote increased trade flows and business information flows between African and US private-sector interests and among Network members.

33. Natural Products Business Linkages and Policy Dialogue (\$.500 million). With this grant, ACDI/Rutgers will help to develop natural product business linkages between US and African enterprises and to promote policy dialogue among African countries desiring to commercialize natural products. Natural products are defined as medicinal plants, botanicals, aromatic and organically grown plants. ACDI/Rutgers will provide continued support to the organization Agribusiness Systems of Natural African Plant Products (ASNAPP), complementing the ATRIP-funded activities begun in 1999.

34. USAID Staff Support for ATRIP Program Operations (\$.762 million). This funding provides staff and/or contract support to administer, implement, and monitor the Africa Trade and Investment Policy (ATRIP) program.

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